

Military Cost of Major U.S. Wars

% of GDP in Peak Year						
	Years	Peak Year of Spending	Cost (Billions)	Cost of War	Cost of Defense	Revenue Measures
American Revolution	1775 - 1783	N/A				
Current Year \$			0.101	N/A	N/A	With exception, customs duties are almost the exclusive source of Federal revenue prior to the Civil War.
Constant 2011 \$			2.41*			
War of 1812	1812 - 1815	1813				
Current Year \$			0.09	2.20%	2.70%	Temporary excise tax is established.
Constant 2011 \$			1.55*			
Mexican-American War	1846 - 1849	1847				
Current Year \$			71	1.40%	1.90%	With exception, customs duties are almost the exclusive source of Federal revenue prior to the Civil War.
Constant 2011 \$			2.4*			
Civil War (Union)	1861 - 1865	1865				
Current Year \$			3.2	11.30%	11.70%	Temporary additional taxes on income, inheritance, and land along with stamp and temporary excise taxes are established.
Constant 2011 \$			59.6*			
Spanish-American War	1898-1899	1899				
Current Year \$			0.283	1.10%	1.50%	Temporary miscellaneous excise taxes and a temporary increased rate in the inheritance tax is established.
Constant 2017 \$			9*			
World War I	1917-1921	1919				
Current Year \$			20	13.60%	14.10%	The 16th Amendment is ratified, and the Tax Act of 1913 passes. Nationally, there is an emphasis
Constant 2017 \$			289			

Data is sourced from multiple CRS memos and reports on U.S. war financing and federal taxation.

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World War II	1941-1945	1945				on the revenue impact of World War I. Taxes are reduced during peacetime in the 1920s and 1930s.
	Current Year \$ Constant 2017 \$		296 4408	35.80%	37.50%	Federal income tax is expanded.
Korean War	1950 - 1953	1952				
	Current Year \$ Constant 2017 \$		30 343	4.20%	13.20%	Individual and corporate tax rates are increased. Also, in 1956, the Highway Trust Fund is established through increased excise taxes on vehicles and highway transportation related products.
Vietnam War	1965 - 1975	1968				
	Current Year \$ Constant 2017 \$		111 735	2.30%	9.50%	In the early 1960s, investment tax credits were introduced and the Revenue Act of 1964 lowered taxes. From 1968-1969 a temporary surcharge was established to fund the Vietnam War.
Persian Gulf War	1990 - 1991	1991				
	Current Year \$ Constant 2017 \$		61 103	0.30%	4.60%	Most of the costs covered by allied nations, especially those in the Gulf region.
Iraq War	2001 - 2014	2008				
	Cumulative		814.6	1.00%	4.30%	There is no revenue legislation to finance the war.

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Afganistan/ GWOT	2001 - 2014	2007				
Cumulative			685	0.70%	4.90%	
Domestic Security (Operation Noble Eagle)	2001 - 2014	2003				There is no revenue legislation to finance the war.
Cumulative			28	0.10%	3.70%	

* Inflation adustments were calculated from a 2008 version of Costs of Major Wars, a CRS report by Stephen Daggett, using the Consumer Pric U.S Wars , by Stephen Daggett in 2011. (CRS Report RS22926)